

Executive Grain Market Summary

24-27 June 2019

Note – comparisons below are against values quoted in the last Exec Summary dated 14 June

Currency / Oil:	Close	Change on week	LIFFE Wheat:	Close	Change on week
£/\$	1.27	u/c	Nov 19	£153.00	-£0.15
£/€	1.12	u/c	May 20	£158.40	-£0.35
Nymex Oil	\$59.38	+\$7.10	Nov 20	£154.70	-£1.10

Wheat Futures Market Comparisons:

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 19*	Nov 20*	Nov 19*	Nov 20*	Nov 19*	Nov 20*
Closing differential	+£7	+£10	+£16	+£18	-£12	-£26
Change on week	+£2	+£1	+£5	+£2	u/c	u/c

Note:

1. Cbot/Liffe Nov* and Matif/Liffe Nov * compares Cbot and Matif Dec with Liffe Nov
2. Relevant forward exchange rates are used to convert to Sterling equivalents
3. Prices are based on Wednesday pm market closes. Nymex oil = front month position.
4. All figures are approximate and intended solely to illustrate trends

UK Update:

- Nov 19 Liffe wheat continues to struggle against the main exchanges having fallen by £7 relative to Dec 19 Matif and £23 (!) relative to Dec 19 Chicago over the past 7 weeks...this does of course make us increasingly competitive.

EU Update:

- Weekly EU soft wheat exports of 28k took the ytd total to 20m (vs 20.8m last ytd); weekly barley exports 29k, ytd 4.3m (vs 5.6m); weekly maize imports 262k, ytd 23.3m (vs 17.3m)
- Bulgarian Ag-Min forecasts 2019 wheat crop at 5.4m (vs 5.8m in 2018).
- Heatwave this week across France and Germany seen trimming 2019 cereal yields...but at this stage production forecasts remain significantly above 2018 levels.

Global Update:

- At 26 June Russian Ag-Min reported that 2.5m of 2019 crop winter wheat had been harvested (vs 1.8m last ytd) at an average yield of 4.66t/ha (vs 3.88 last ytd); 1.7m barley (vs 1.5m) at average yield 4.65t/ha (vs 4.08)
- Agritel increased their 2019 Russian wheat crop forecast to 81.7m (vs 79.2m previous forecast; 72m in 2018).
- Ukrainian Met Office reported that June 19 was the hottest on record and forecast the 2019 maize crop at 31.7m (vs 35.8m in 2018).
- StatsCan planting intentions report put 2019 Canadian all-wheat area at 24.6m acres (vs 24.7m in 2018), barley 7.4m (vs 6.5m), osr 21.0m (vs 22.8m), oats 3.6m (vs 3.1m), maize 3.7m (vs 3.6m), linseed 937k (vs 857k), soyabeans 5.7m (vs 6.3m).
- China has confirmed the presence of the destructive Fall Armyworm in 19 provinces affecting over 330k ha of farmland.
- At 23 June the 2019 US maize crop was rated at 56% good/excellent (vs 59% last week; 77% last ytd)...the lowest rating at this stage since 1988.
- At 23 June the 2019 US soyabean crop was rated 54% good/excellent (vs 73% last ytd)...the lowest opening rating since 1996 and the 3rd lowest on record.
- Presidents Trump and Xi set to meet at the G20 meeting later this week again raising hopes of a US/China trade deal.
- Indian 2019 monsoon slowing improving with moisture deficits now puts at 38% (vs 44% last week), however rainfall since 1 June still reported at 36% below normal...one to follow
- USDA issues revised US plantings figures on Friday with the average trade estimate for maize at 84.4m acres (vs 89.8m previous USDA report; 89.1m in 2018) and some talking the final figure at 80m.
- Cordonnier forecasts 2019 US maize crop at 307m (vs 347m previous USDA report; 366m in 2018)

Comment:

Too much rain in the US, not enough in India and a heatwave in Europe combing to firm global, if not UK, cereal prices which look to have good underlying support over the next few weeks. **MS**

Note – the next Executive Summary will be issued on Friday 19 July